(a) whether Government's attention has been drawn to the report in "The Statement" Calcutta dated 17th June, 1997, captioned "BCGM asked all SBI Branches to honour Bhansali cheques".

(b) if so, the reaction of Government thereof;

(c) whether a Circular was issued, as alleged, on 13th February, 1997 by the Chief General Manager of State Bank of India, Mumbai Circle; and

(d) if so, the content of the Circular and its administrative propriety?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) to (d) State Bank of India (SBI) has informed that according to the bank's normal practice, a circular was issued after approval of the facility of 'at par' encashment of fixed deposit refund orders/interest warrants/ brokerage warrants to CRB Capital Markets Ltd. by the concerned sanctioning authority (in this case the Deputy General Manager of Mumbai Main branch of the bank). The circular was issued by the Banking Operations Department, Mumbai Local Head Office under the signature of the Circle Financial Officer. All Circular instructions, after sanction at appropriate levels, are issued with the legend "for Cheif General Manager" (being the head of the Mumbai Circle Establishment) by various designated officials in the Local Head Office. In this case, the designated/authorised official was the Circle Financial Officer.

SBI has further reported that the circular has been issued in line with the laid down procedure and practice of communication to all branches. All aspects relating to facilities granted to CRB Capital Markets by SBI are being inquired into/under investigation and as such it is not possible to comment on the correctness of the action taken in this case.

Infrastructural Weaknesses of Income Tax/Excise Departments

733. SHRI VIRENDRA KATARIA:
SHRI GHUFRAN AZAM:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to rectify the infrastructural weaknesses of Income Tax and Excise departments to motivate recovery of taxes;

(b) if so, the details of the concrete steps Government propose to take in this regard;

(c) the loss of revenue due to the weak infrastructure of these two departments;

(d) whether Government is of the view that there is lacunae in the existing Income Tax and other tax laws; and

(e) if so, how Government propose to remove the bottlenecks in the existing tax laws?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Yes, Sir. In the case of Central Excise & Customs field formations, it has been decided to enhance the budget provisions under office expenses to provide them better facilities. The improved facilities are likely to augment the recovery of taxes.

(d) and (e) Tax Laws are regularly updated taking into account the need of the hour, development in trade and industry and judicial pronouncements.

Evasion of Excise Duty by Cigarette Manufacturers

734. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a big excise scam involving evasion of excise duty of Rs. 400/- crores by Golden Tobacco Co. of Hyderabad has been unearthed as reported by Indian Express, dated the 6th July, 1997;

(b) if so, the details thereof;

(c) whether it is also a fact that 44 central excise officers have been suspended; if so, the details thereof; and

(d) what action Government are taking to plug the loopholes in the matter of evasion of excise duty by cigarette manufacturers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) A case of Central excise duty evasion has been detected against M/s Shree Chandra Tobacco Ltd., a franchise unit of M/s G.T.C. during the search operation in February, 1996. Based on investigations, a Show Cause Notice demanding duty of Rs. 18.76 crores has been issued. In addition, cases of evasion have been detected against M/s. G.T.C. and their franchise units during 1995. Show Cause Notices demanding Central Excise duty of Rs. 364.86 crores were issued to these units. In all, one Assistant Commissioner, 19 Superintendents and 25 Inspectors of Central Excise have been placed under suspension.

(d) Taking into account the evasion prone nature, cigarettes are still under Physical Control System. The cigarette manufacturing units are under constant watch by the anti-evasion machinery of the department to prevent evasion. Besides, provisions have also been made in Budget 1996 for mandatory penality and charging of interest in such cases.

Limits for priority sector lending by Banks

735. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) priority sector lending by banks and the limits fixed in each category of lending by different category of banks;

(b) when were these limits fixed by RBI and whether the limits have been revised over the years;

(c) in view of increase in prices the limits are very low and whether RBI will revise the limits of priority sector, if not, the reasons therefor; and

(d) whether Government would consider increasing the limit for priority sector lending in the case of housing to at least Rs. ten lakhs instead of two lakhs now which is too low in view of the high cost of housing?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The target fixed for lending to priority sector by commercial banks are as given below:

(i) Public and Private Sector Banks

Total priority Sector advances	—	40 per cent of net bank credit
Total Agricultural Advances	—	18 per cent of net bank credit
Advances to Weaker Sections	—	10 per cent of net bank credit

(ii) Foreign Banks Operating in India

Total Priority Sector Advances	—	32 per cent of net bank credit
Advances to Small Scale Industries	—	10 per cent of net bank credit
Export Credit	—	12 per cent of net bank credit

(b) and (c) The target for priority sector advances has been enhanced in October, 1980 to 40 per cent from $33^{1}/_{3}$ per cent of net bank credit and this had to be achieved by commercial banks by March, 1985. Since then, there is no change in the set target for commercial banks under priority sector advances. However, taking into account the escalation in cost of imput etc. Reserve Bank of India (RBI) have made the following revisions under different components of priority sector advances:

(i) The definition of small scale Industries has been revised from time to time and at present includes units whose original cost of investments in plant and machinery does not exceed Rs. 60 lakhs (Rs. 75 lakhs for ancilliary and export oriented units).